Commonwealth of Massachusetts
Office of the Comptroller
One Ashburton Place, Room 901
Boston, Massachusetts 02108

Martin J. Benison
Comptroller

Phone (617) 727-5000
Fax (617) 727-2163
INTERNET: http://www.mass.gov/osc

MEMORANDUM

TO: Legislative Leadership, Judicial Branch Administrators, Elected Officials, and Independent and Higher Education Offices

CC: Chief Fiscal Officers

FROM: Martin J. Benison, Comptroller

DATE: December 2, 2003

RE: Implementation of Chapter 137 of the Acts of 2003 Providing Compensation and Other Benefits to Employees of the Commonwealth Called to Active Military Service

I am pleased to announce that on November 26, 2003, Governor Romney signed legislation, Chapter 137 of the Acts of 2003, which provides compensation and other benefits to employees of the Commonwealth of Massachusetts who have been called into active military service since September 11, 2001. What follows is the coverage of the legislation, followed by instructions for implementing this important initiative.

SCOPE OF COVERAGE

The legislation covers all employees of the Commonwealth who have been granted a military leave of absence after September 11, 2001 to serve on active duty in the Army National Guard, the Air National Guard or a reserve component of the armed forces of the United States. The act applies to all employees called to active service, other than training, after September 11, 2001 through September 11, 2005, regardless of whether or not they are still on active duty as of the enactment of the legislation.

Note: Part time employees are covered but not intermittent or contract employees. Seasonal employees are covered, but only for military duty served during the normal time of their seasonal assignments.

BENEFITS PROVIDED

The Commonwealth will make provisions for the payment of the difference between the military pay and allowances and the state base pay, if the state base pay is higher. The applicable state salary is base pay and will not include any additional compensation, such as overtime pay, shift differential, hazardous duty pay, or any other additional compensation. For those paid under the provisions of the Technical Pay Law (TPL), use the TPL salary as the basis for determining the state base pay. Similarly, those paid at salary collision rates should have their collision salary used as the basis for comparison. Holiday pay will also be presumed to be part of the state salary. Military pay includes all compensation and allowances, such as housing, uniform, combat pay, spousal allowance, etc.

In addition, the act provides that employees covered by this act shall not lose any seniority or any accrued vacation leave, sick leave, personal leave, compensation time or previously earned overtime. It also allows employees who were on active duty during the application period of the Early Retirement Incentive Program (July 15, 2003 to September 1, 2003) to file a late ERIP application within 30 days of their release from active duty or 30 days after the effective date of this military pay act, if they were separated from active duty after September 1, 2003. The retirement date requested shall be no more than 60 days and no less than 30 days from the date of filing the application.

PAYMENT OF COSTS INCURRED IN PRIOR FISCAL YEARS

For the purposes of Military Pay, the legislation allows the use of current fiscal year appropriation to cover payroll expenditures incurred in prior fiscal years.

INSTRUCTIONS FOR PROCESSING THE PAYMENT OF THE SALARY DIFFERENTIAL

Summary of Process:

The following procedures define tasks required by operating departments to verify compensation while minimizing the reporting burden on the employees and their families. The employee, or someone acting on behalf of the employee, must supply documentation detailing the amount of military pay and allowances received to date. The attached release form gives permission to the Commonwealth (employing agency) to contact the military pay authorities, in situations where the employee is unable to supply the necessary Military Leave and Earnings Statements. These are issued semi-monthly and include most recent earnings under the column marked "ENTITLEMENTS" as well as cumulative year-to-date earnings at the bottom of the form, marked "YTD ENTITLE".

The attached sample employee notification letter should be tailored as necessary *(inserting employee name, address, department payroll address and fax number)* and sent to all covered employees by December 4th on your letterhead. The letter lists the documentation required to process the pay differentials. Also attached is the pay information release form that each covered employee must complete and return.

Procedures for Paying the Salary Differential Going Forward

Step 1.   Using the latest semi-monthly Military Leave and Earnings Statement provided by the employee or employee's representative, calculate the total entitlements (pay and allowances) and multiply it by 24 to get annualized military entitlements.

Step 2.   Divide the result from step 1 by the employee's standard number of yearly work hours: 2088 for those who normally work 40-hour weeks, 1957.5 for 37.5-hour weeks.

Step 3.   Subtract the result from step 2 from the state hourly rate (base pay only) found on the Compensation Page in HR/CMS to get the hourly differential.

Step 4.   Multiply the result from step 3 by the employee's standard number of biweekly hours to get the biweekly pay differential.

Step 5.   On the Additional Pay page, enter the current pay period effective date, using Earnings Code "ADS" (additional pay straight) with an End Date corresponding to the projected end of the tour of duty.

Step 6.   Repeat steps 1-5 if the military or state pay changes. The employee is obligated to notify payroll authorities of any change in military pay and allowances.

Step 7:   Employees on active military duty receiving military pay differential should be coded as MIL in Department field #6 in their labor default in PCRS. This will allow central reporting of expenses across departments. Departments failing to identify employees as MIL will be required to furnish detailed information for questions from the auditors, legislatures and/or the administration. When an employee returns to civilian service, this code should be deleted from his/her profile. Questions on PCRS should be directed to the CTR helpline: 1-866-888-2808.

Note: If an employee is to receive additional ADS for non-military purposes, these entries can be distributed separately by using PCRS Labor Exceptions.

Procedures for Paying the Retroactive Salary Differential

Step 1.   Collect all monthly military pay statements from the start of active duty to the end or through the most recently issued statement if still on active duty.

Step 2.   Add all pay and allowances to calculate the total military pay.

Step 3.   For the dates of active military duty, calculate the total base pay the employee would have received had (s)he not been called to active duty.

Step 4.   Subtract the amount from step 2 from the result of step 3.

Step 5. On the Additional Pay page in HRCMS, enter current pay period effective date, earnings code "ROR" (retroactive regular) with an end date corresponding to the end date of the current pay period. Enter the Goal Amount equal to the amount of the retroactive payment.

Note: If an employee is to receive additional ROR for non-military purposes these entries can be handled separately by using different Sequence numbers on the Additional Pay Panel in HRCMS.

Step 6: Employees receiving retroactive pay for active military duty should be coded as MIL in Department field #6 in their exceptions in PCRS for the pay period in which retroactive pay is processed. This will allow central reporting of expenses across departments. Departments failing to identify employees as MIL will be required to furnish detailed information for questions from the legislature and the administration. Questions on PCRS should be directed to the CTR helpline at 1-866-888-2808.

HR/CMS Instructions

For employees who are currently on military leave

1) To process payments under this act, place the employee on a paid leave of absence and enter the following:

   Effective Date: Use the Sunday begin date in the *current pay period.*
   Action: PLA (Paid Leave of Absence)
   Reason: MIL (Military Leave)

2) Make sure to "zero out" the employee's default schedule in Time Reporter Data.

   Effective Date: Use the following Sunday begin date
   Tip: Use weekly elapsed time and manually delete hours in REG for the current pay period

3) End all Additional Pay Earnings.

   Effective Date/End Date: Use a date in the previous pay period.

4) Refer to the above listed ***Procedures for Paying the Salary Differential Going Forward*** to calculate the employee's adjusted biweekly pay.

5) Enter the adjusted biweekly amount in Additional Pay using the ADS Earnings Code for the biweekly difference of pay to be used on a go-forward basis.

Effective Date: Use the Sunday begin date in the current pay period with an end date corresponding to the projected end of the tour of duty.

6) Refer to the above listed ***Procedures for Paying the Retroactive Salary Differential*** to calculate the employee's retroactive payment.

7) Enter the amount owed in Additional Pay using the ROR Earnings Code.

Effective Date: Use the Sunday begin date in the current pay period with an end date and goal amount equal to the retroactive payment.

8) View and confirm the paycheck data the following day.

Note: To assure centralized reporting of expenses for military pay, departments should code MIL in Department field #6 for any employee receiving retroactive or current military pay differential.

Additional Instructions:

- Keep all leave plans active so that the employee will receive monthly accruals.

- Keep all deductions active unless the employee has asked to end or change a deduction.

- For employees who were out on military leave but have returned, follow steps only 6, 7 and 8 to process the retroactive payment.

- If an employee has terminated, (s)he should be rehired to pay out the retroactive payment owed using the ROR code in additional pay.

- Contact your HRD analyst to process military leave pay for salaried employees.

Please direct any questions regarding HR/CMS to Commonhelp at 866-888-2808. We are pleased to be part of this effort to reduce the economic hardship on our employees who have demonstrated such commitment, courage and dedication.